

# House File 2275 - Introduced

HOUSE FILE 2275  
BY COMMITTEE ON HUMAN  
RESOURCES

(SUCCESSOR TO HSB 563)

## A BILL FOR

1 An Act establishing asset, income, and identity verification  
2 requirements for medical assistance applicants and  
3 recipients.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1.   MEDICAL ASSISTANCE PROGRAM — ASSET, INCOME, AND  
2   IDENTITY VERIFICATION.

3     1.   The department of human services shall contract with  
4   a third-party vendor to develop and implement procedures  
5   for verifying the income, assets, and identity of medical  
6   assistance program applicants and recipients, whose eligibility  
7   for medical assistance is based upon the applicant's or  
8   recipient's age, blindness, or disability, to prevent  
9   fraud, misrepresentation, and inadequate documentation when  
10  determining an applicant's eligibility for assistance prior  
11  to the distribution of benefits and during eligibility  
12  redeterminations and reviews.  The procedures developed shall  
13  ensure that the verifications apply to every case.  Each  
14  verification shall include utilization of the asset, income,  
15  and identity verification system established under this  
16  section.

17    2.   The department of human services shall contract with  
18  a third-party vendor to establish a computerized asset,  
19  income, and identity eligibility verification system to  
20  complete the eligibility determinations, redeterminations,  
21  and reviews specified in subsection 1.  The vendor shall be  
22  able to demonstrate access to a current financial institution  
23  network representing at least ninety percent of the financial  
24  institutions in the state and nationally.  Unless a financial  
25  institution enters into an agreement with the department  
26  under this section, provision of account balances for asset  
27  verification by a financial institution shall remain voluntary.

28    3.   As a condition of awarding or continuing assistance under  
29  the medical assistance program, the department shall verify  
30  the name, date of birth, and social security number of each  
31  applicant and recipient as specified in subsection 1 against  
32  the following public records:

33    a.   A nationwide public records data source of physical  
34  asset ownership such as real property, automobiles, watercraft,  
35  aircraft, and luxury vehicles.

1     b. A nationwide public records data source of incarcerated  
2 individuals.

3     c. A comprehensive public records database that identifies  
4 potential identity fraud or identity theft that can closely  
5 associate name, social security number, date of birth,  
6 telephone, and address information.

7     4. Pursuant to 42 U.S.C. §1396w, the director of  
8 human services shall enter into agreements with financial  
9 institutions in this state to operate the financial record  
10 matching program applicable to applicants for or recipients of  
11 medical assistance whose eligibility for medical assistance  
12 is based upon the applicant's or recipient's age, blindness,  
13 or disability for the purpose of verifying the assets of  
14 the applicant or recipient. Financial institutions are not  
15 required to enter into agreements with the department under  
16 this section. Under the financial record matching program,  
17 and with the authorization of the applicant for or recipient  
18 of medical assistance, the department of human services may  
19 request and receive from any financial institution doing  
20 business in this state or nationally that has entered into an  
21 agreement with the department under this section, the financial  
22 records of the applicant or recipient. Within fifteen days  
23 of the department's request, the department shall collect  
24 the current account balance information for open and closed  
25 accounts for a period of up to the sixty previous months. The  
26 department shall systematically canvass financial institutions  
27 nationally, regionally, and locally.

28     a. The department of human services or any financial  
29 institution that discloses financial records under this  
30 subsection shall not be subject to civil liability or criminal  
31 prosecution which is based upon its disclosure under this  
32 section, or for any other action taken in reasonably good faith  
33 to comply with the requirements of this section.

34     b. Any records established or information collected  
35 pursuant to the provisions of this subsection shall be made

1 available only to the director of human services or the  
2 director's designee, the applicant or recipient, and the  
3 applicant's or recipient's authorized representative as  
4 provided by the rules of the department. Such records and  
5 information shall be available and used only for purposes  
6 directly connected with the determination and verification  
7 of eligibility for medical assistance for applicants and  
8 recipients whose eligibility for medical assistance is  
9 based upon the applicant's or recipient's age, blindness, or  
10 disability. The records and information made available to  
11 the applicant or recipient, or the applicant's or recipient's  
12 authorized representative shall not include information  
13 provided to the department that is prohibited from release by  
14 federal or state law or under contract or agreement between the  
15 department and another entity if such contract or agreement  
16 prohibits release of such information.

17 5. The department of human services shall provide a status  
18 report regarding the implementation of this Act six months  
19 after the date of implementation to the governor and the  
20 general assembly. The report shall summarize the department's  
21 time and labor associated with implementation of this Act,  
22 the feedback and reactions of applicants and recipients, any  
23 barriers to implementation that were overcome, anticipated  
24 future actions, and the department's assessment of the relative  
25 success of the implementation.

26 6. As used in this section, "financial institution" means  
27 financial institution as defined in 12 U.S.C. §3401.

28 7. If an applicant for or recipient of medical assistance  
29 who is eligible on the basis of age, blindness, or disability  
30 refuses to provide or revokes any authorization to the  
31 department of human services to have access to the individual's  
32 asset, income, and identity records as provided in this  
33 section, the department may, on that basis, deny or terminate  
34 eligibility for medical assistance.

35 8. The department of human services shall adopt rules

1 pursuant to chapter 17A to administer this section.

2 EXPLANATION

3 The inclusion of this explanation does not constitute agreement with  
4 the explanation's substance by the members of the general assembly.

5 This bill relates to asset, income, and identity  
6 verification for medical assistance applicants and recipients  
7 who are eligible based upon age, blindness, or disability.  
8 The bill directs the department of human services (DHS) to  
9 contract with a third-party vendor to develop and implement  
10 procedures for verifying the income, assets, and identity of  
11 medical assistance program applicants and recipients who are  
12 eligible based upon their age, blindness, or disability to  
13 prevent fraud, misrepresentation, and inadequate documentation  
14 when determining an applicant's eligibility for assistance  
15 prior to the distribution of benefits and during eligibility  
16 redeterminations and reviews. Each verification is required  
17 to include utilization of the asset, income, and identity  
18 verification system to be established under the bill. DHS is  
19 directed to contract with a third-party vendor to establish  
20 a computerized asset, income, and identity eligibility  
21 verification system. The vendor must demonstrate access to a  
22 current financial institution network representing at least  
23 90 percent of the financial institutions in the state and  
24 nationally.

25 As a condition of awarding or continuing assistance under  
26 the medical assistance program, DHS is required to verify  
27 the name, date of birth, and social security number of each  
28 applicant and recipient whose eligibility is based on age,  
29 blindness, or disability against certain public records  
30 specified in the bill.

31 The bill directs DHS to enter into agreements with financial  
32 institutions in the state to operate the financial record  
33 matching program as required under federal law. Under such  
34 program, and with the authorization of the applicant or  
35 recipient, DHS may request and receive from any financial

1 institution doing business in this state or nationally  
2 the financial records of any applicant for or recipient of  
3 medical assistance whose eligibility for medical assistance is  
4 based upon the applicant's or recipient's age, blindness, or  
5 disability. Financial institutions are not required to enter  
6 into agreements with DHS under the bill. DHS must, within  
7 15 days of the request, collect the current account balance  
8 information for open and closed accounts for a period of up  
9 to the 60 previous months. DHS must systematically canvass  
10 financial institutions nationally, regionally, and locally.

11 The bill provides for immunity from civil liability and  
12 criminal prosecution for DHS and any financial institution  
13 that discloses financial records under the bill or for any  
14 other action taken in reasonably good faith to comply with the  
15 requirements of the bill.

16 Any records established or information collected under the  
17 bill are only available to the director of human services  
18 or the director's designee, the applicant or recipient, and  
19 the applicant's or recipient's authorized representative as  
20 provided by the rules of the department. The records and  
21 information are to be available and used only for purposes  
22 directly connected with the determination and verification  
23 of eligibility for medical assistance for applicants and  
24 recipients whose eligibility for medical assistance is  
25 based upon the applicant's or recipient's age, blindness, or  
26 disability. The records and information made available to  
27 the applicant or recipient, or the applicant's or recipient's  
28 authorized representative, shall not include information  
29 provided to the department that is prohibited from release by  
30 federal or state law or under contract or agreement between the  
31 department and another entity if such contract or agreement  
32 prohibits release of such information.

33 DHS is directed to provide a status report to the governor  
34 and the general assembly regarding the implementation of the  
35 bill six months after the date of implementation. The report

1 shall summarize the department's time and labor associated  
2 with implementation of the bill, the feedback and reactions of  
3 applicants and recipients, any barriers to implementation that  
4 were overcome, anticipated future actions, and the department's  
5 assessment of the relative success of the implementation.

6 Under the bill, an individual who is an applicant for or  
7 recipient of medical assistance based on the individual's  
8 age, blindness, or disability who refuses or revokes an  
9 authorization required in the bill may be subject to denial or  
10 termination of eligibility.

11 The bill directs DHS to adopt rules pursuant to Code chapter  
12 17A to administer the bill.